



Testimony, Public Health Committee, March 19, 2014
S.B. 460, AAC Hospital Conversions and Other matters Affecting Hospitals
H.B. 5571, AAC Certificate of Need Requirements, Hospital Conversions and Medical Foundations

My name is Sal Luciano. I am the president of the Connecticut AFL-CIO and executive director of Council 4 AFSCME. I am also a Watertown resident. Waterbury Hospital is my neighborhood hospital, and where my family is treated for hospital based health care.

I endorse the remarks of Barbara Simonetta, the President of the Waterbury Hospital AFSCME health care employees, and Gary Storrs, AFSCME International's labor economist. SB 460 and HB 5571 are steps in the right direction to protect the public from the harm that for-profit hospital conversions often cause. There is still need for more protection for the public than is currently in these bills.

For instance, there is no language in the bills that would prevent Tenant or other for-profit corporations from buying a Connecticut hospital, borrowing against its assets, shifting its assets into another corporation out-of-state or off-shore, bankrupting it and leaving Connecticut patients, workers and taxpayers liable for the debt and social damage. Sadly, this sort of corporate plundering of an otherwise viable corporation is not uncommon. We urge you to include language that would protect Connecticut citizens from such disastrous financial machinations.

Tenant's track record of having to pay out almost two billion dollars to cover fines for fraud, abuse and other poor acts should send a bright signal to Connecticut policy makers that the public and workers need to be protected. Just last month, Georgia state authorities working with the federal Department of Justice filed as part of a whistleblower lawsuit that alleges that Tenant was involved in kickbacks at the expense of the poor who were supposed to be served by their hospital corporation. A federal attorney said of the case, "Tenet and these hospitals plundered a system set up for those truly in need." Please protect Connecticut's needy citizens. Make sure that legislation providing strong protection is passed to protect state residents from the potential damage that comes with for-profit hospitals.

Thank you for your consideration and if I can provide any additional information, please let me know.